

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY MAY 2, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1917

Introduced by Assembly Member Dickinson

February 22, 2012

An act to add Section 38085.5 to the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1917, as amended, Dickinson. Education finance: acquisition of food services.

~~(1) Existing~~

Existing law authorizes school district governing boards to establish cafeterias, which are defined as synonymous with food services.

This bill would require *a school district governing boards that enter into a contract board, county superintendent of schools, or governing body of a charter school that contracts* for the acquisition of food services *using state or federal funds* to develop and adopt policies and procedures for the acquisition of food services to ensure that a ~~service contractor~~ *food service management company* fully discloses to the ~~school district~~ *local educational agency* all discounts, rebates, as defined, allowances, and incentives received by the ~~service contractor company~~ from its suppliers, as specified, and to disclose and pay to the ~~school~~

~~district~~ *local educational agency* the full amount of the discount, rebate, or applicable credit, as specified.

The bill would require these discounts, rebates, allowances, and incentives to be paid as agreed, and a record of these transactions to be available for review as part of any audit conducted pursuant to statute. The bill would require any necessary changes to the policies and procedures for the acquisition of services to be implemented upon the renewal, extension, or amendment of an existing agreement or as part of a new service agreement.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 38085.5 is added to the Education Code,
2 to read:

3 38085.5. (a) Notwithstanding any other law, if the governing
4 board of a school district ~~enters into a contract,~~ *county*
5 *superintendent of schools, or governing body of a charter school*
6 *contracts* for the acquisition of food services, ~~the governing board~~
7 *using state or federal funds,* it shall develop and adopt policies
8 and procedures for the acquisition of food services that are in
9 accordance with both of the following:

10 (1) The policies and procedures for the acquisition of food
11 services shall ensure that ~~a service contractor~~ *the food service*
12 *management company* fully discloses to the ~~school district~~ *local*
13 *educational agency* all discounts, rebates, allowances, and
14 incentives received by the ~~service contractor~~ *company* from its
15 suppliers. If the ~~service contractor~~ *food service management*
16 *company* receives a discount, rebate, allowance, or other incentive
17 from any supplier, the ~~service contractor~~ *company* shall disclose
18 and pay to the ~~school district~~ *local educational agency* the full
19 amount of the discount, rebate, or applicable credit that is received
20 based on the purchases made on behalf of the ~~school district~~ *local*
21 *educational agency*. Language stating this requirement shall be
22 placed in agreements covered by this section.

23 (2) Any discount, rebate, allowance, or incentive shall be paid
24 to the ~~school district~~ *local educational agency* during a mutually
25 agreed upon timeframe, and a record of these transactions shall be
26 available for review as part of any audit conducted pursuant to

1 statute. Any changes required pursuant to this section shall be
2 implemented upon the renewal, extension, or amendment of an
3 existing agreement or as part of a new service agreement.

4 (b) As used in this section, “rebate” includes any return of
5 monetary value, including, but not necessarily limited to, a volume
6 discount, allowance, or discount purchase incentive.

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